

DRAFT

FEMA Logistics Management Directorate

**Distribution Management Strategy
Working Group**

Executive Briefing

April XX, 2008



FEMA

Agenda

- The Need for a Distribution Management Strategy
 - Highlighted by shortcomings in previous disaster responses
- An Iterative Approach
 - Identified focus areas and phased transformation plan
- The Way Ahead
 - Collaborative sourcing for efficient and effective response

In the past, FEMA did not systematically plan or budget for how it would meet disaster requirements, nor did FEMA fully leverage the response capacity of its partner organizations

Requisite components of distribution strategy essential to efficient and effective response:

- Customer Service
- Strategic Sourcing
- Operations Management
- Transportation Management
- Planning and Forecasting
- Purchasing
- Distribution Communications



Positive yield from integrating components into national logistics response network:

- Synchronized Distribution & Transportation Operations
- Improved Quality and Reliability of Support
- Strategically Positioned Resources & Commodities
- Increased capability
- Reduced Costs and FEMA Organic Commodities
- Eliminated Redundancy of Efforts and Sourcing
- Reduced Number of Returned Commodities and Need for Reverse Logistics

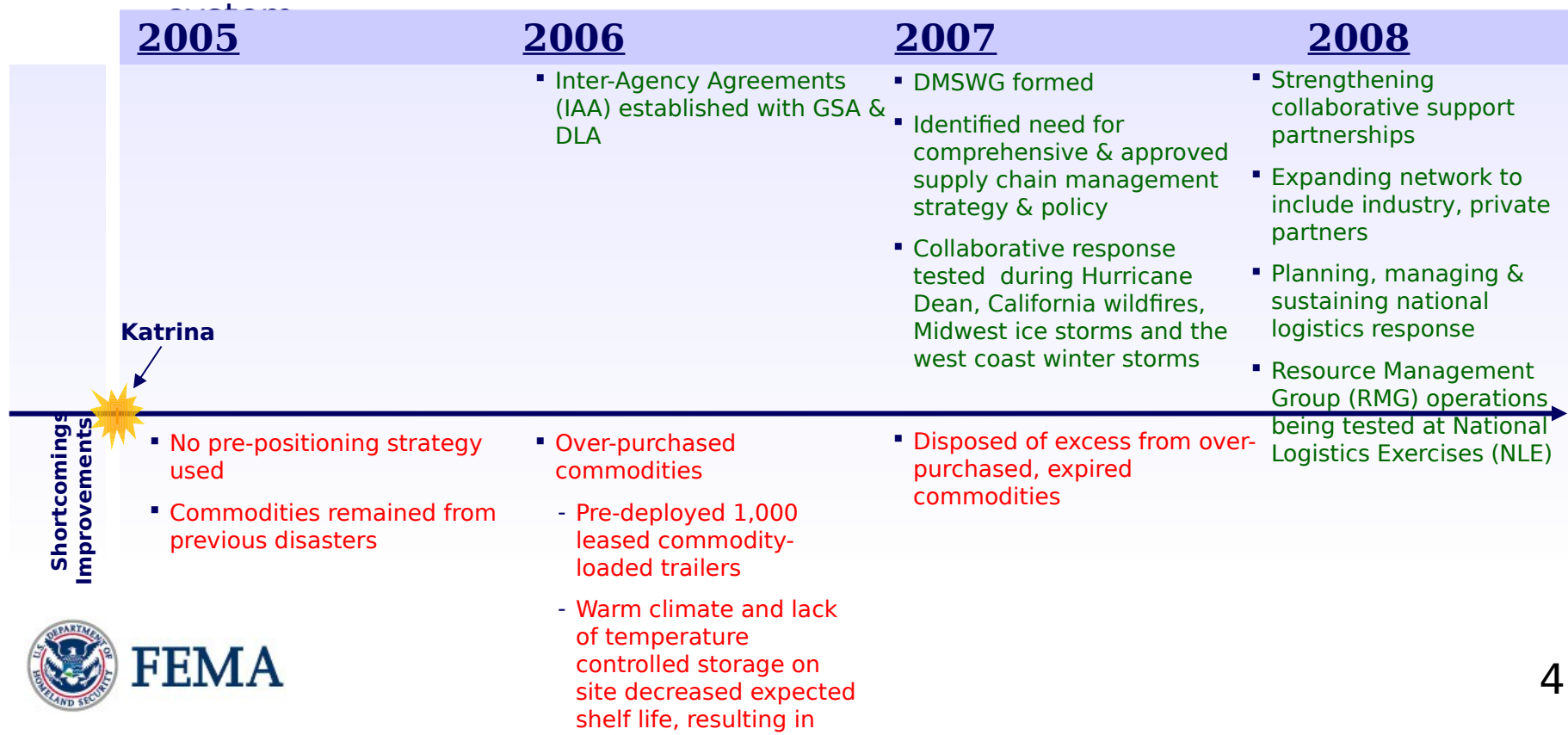
Change from the past...

- *Serious flaws resulting from a lack of a distribution strategy were exposed during Katrina. Post Katrina, FEMA invested in a pre-positioning strategy with over 1000 leased trailers of supplies and commodities placed around the country at a cost of over \$357M. Exposure to climatic conditions resulted in an estimated \$70M loss in commodities.*
- *Lack of coordinated sourcing and distribution is a problem throughout the national response network. During the Katrina Mississippi response effort, simultaneous requests for medical supplies were submitted to DLA from FEMA field operations and HQ without coordination. The result was an over obligation of funds and excess medical supplies.*

The Distribution Management Strategy Working Group (DMSWG) was formed to address shortcomings identified post Katrina

The DMSWG was organized to facilitate the development and execution of a coordinated and integrated distribution management strategy for the National Response Framework by:

- Improving disaster relief execution through communication and collaboration, and
- Clearly defining the capacity and capability of the national distribution system



As the National Logistics Coordinator (NLC), FEMA will no longer make isolated logistics decisions, and through the DMSWG will increase collaboration with public and private supply chain logistics response partners

DMSWG Lead FEMA LMD/DM

Partner Organizations

FEMA	OFA	DoD	NGO	Future
Logistics Management	General Services Administration (GSA)	Defense Logistics Agency (DLA)	American Red Cross (ARC)	Private Sector
Disaster Operations	Department of Health & Human Services (HHS)	US Army Corp of Engineers (USACE)	Voluntary Organizations Active in Disaster (VOAD) through ESF 6	State & Local
Office of Acquisition Management	Department of Agriculture (USDA) Forest Service	US Northern Command		
Disaster Assistance	USDA Food & Nutrition Service (FNS)			
Office of External Affairs				
Office of Chief Counsel				
Office of Federal Coordinating Officer Operations				
Office of Chief Financial Officer				

Role of each partner:

- Address the internal and greater mission of all involved parties in the DMSWG
- Share insights and experience along with the best (and proven) practices
- Produce a comprehensive distribution management strategy and solution



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The DMSWG is working to improve a number of critical focus areas to enable a collaborative, flexible, and sustainable disaster response

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Initial Focus Areas

- Strategic Positioning
- Inventory Stock Levels
- Inventory Type/Mix
- Inventory Rotation Planning
- Transportation Management

Current Focus Areas

- National Logistics Coordinator Concept
- Strategic Positioning
- Inventory Stock Levels
- Inventory Type/Mix (Evolving)
- Inventory Rotation Planning
- Transportation Management
- Requirements Determination and Fulfillment
- On-Site Maintenance, Management
- Property Accountability
- Budget/Funding
- National Contracts

The crawl, walk, run, approach to maturing national disaster logistics response and supply chain operations emphasizes the importance of “getting it right”

Phase I Completion for June 1, 2008

- ☒ Identify supply chain/logistics shortcomings
- ☒ Identify collaborative partners
- ☒ Identify partner planning criteria and DC locations
- ☒ Establish meals and water sub-working groups*
- ☒ Design commodity profile template*
- ☒ Collect and consolidate partner commodity information
- ☐ Generate communication message
- ☐ Identify partner capacity/capabilities in Puerto Rico (PR) & US Virgin Islands (USVI)
- ☐ Identify operational requirements for RMG*
- ☐ Exercise RMG at NLE, in season*
- ☐ Perform advanced data collection for meals & water*
- ☐ Establish meals & water commodity plans*
- ☐ Standardize data formatting for meals &

Phase II Completion for June 1, 2009

- ☐ Build commercial partnerships & capabilities
- ☐ Set inventory positioning strategy
- ☐ Perform advanced data collection for additional commodities
- ☐ Standardize data formatting for additional commodities
- ☐ Set preliminary inventory requirements
- ☐ Establish strategic and common response practices
- ☐ Draft Standard Operating Procedure (SOP) manual
- ☐ Regularly operate RMG, apply lessons learned
- ☐ Incorporate additional partners into DMSWG*
- ☐ Formalize inter-organizational agreements*

Phase III Completion beyond June 1, 2009

- ☐ Continue to refine commodity strategies and apply lessons learned
- ☐ End to end distribution strategy for all commodities
- ☐ Automate and improve processes
- ☐ Improve inventory management & distribution practices
- ☐ Finalize & Distribute SOP manual

Movement between phases is flexible. Agenda items can be pulled forward and progress is not dependent on completion of one phase to begin the next.

An iterative, phased approach to maturation allows FEMA and partners to build competency in different areas at different speeds. At any point in the transformation process, the national response network may be at the crawl, walk, and run phase in different areas.

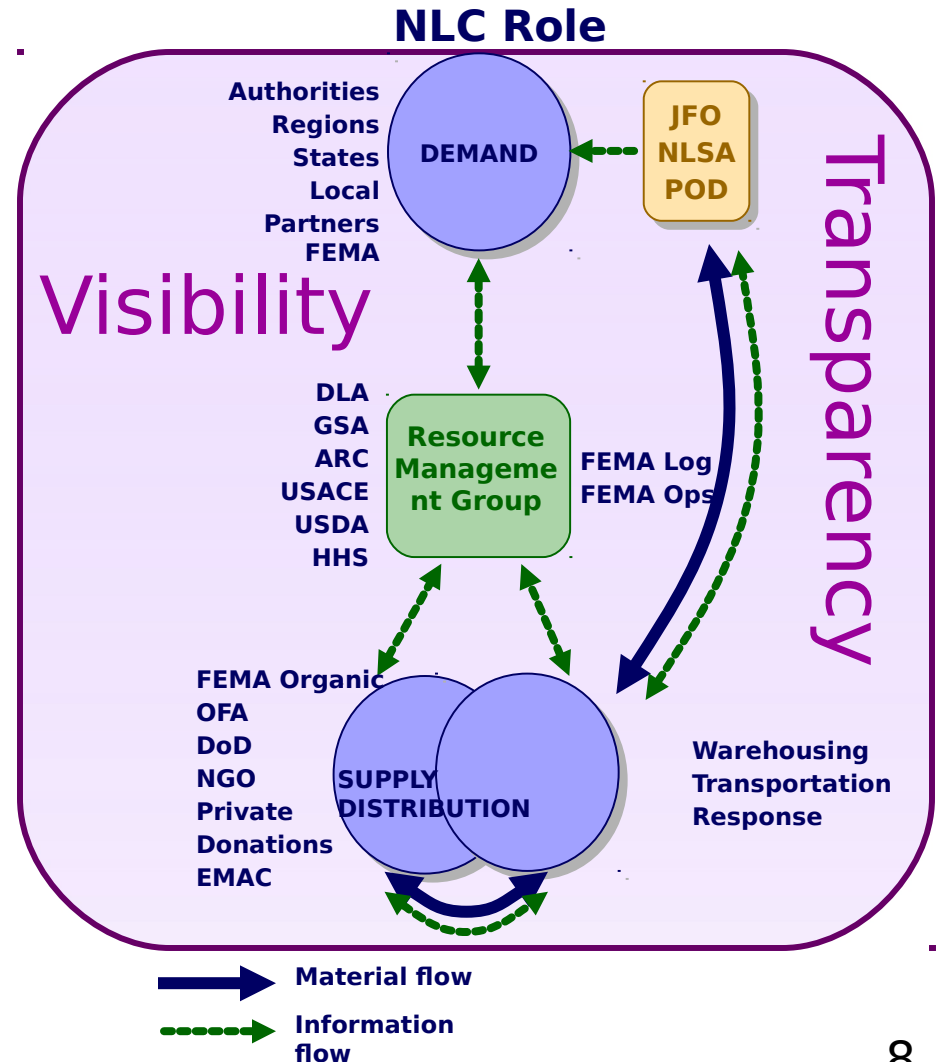
The Resource Management Group (RMG) is a collective of partner agencies focused on coordinating collaborative logistics and sourcing decisions

Goal

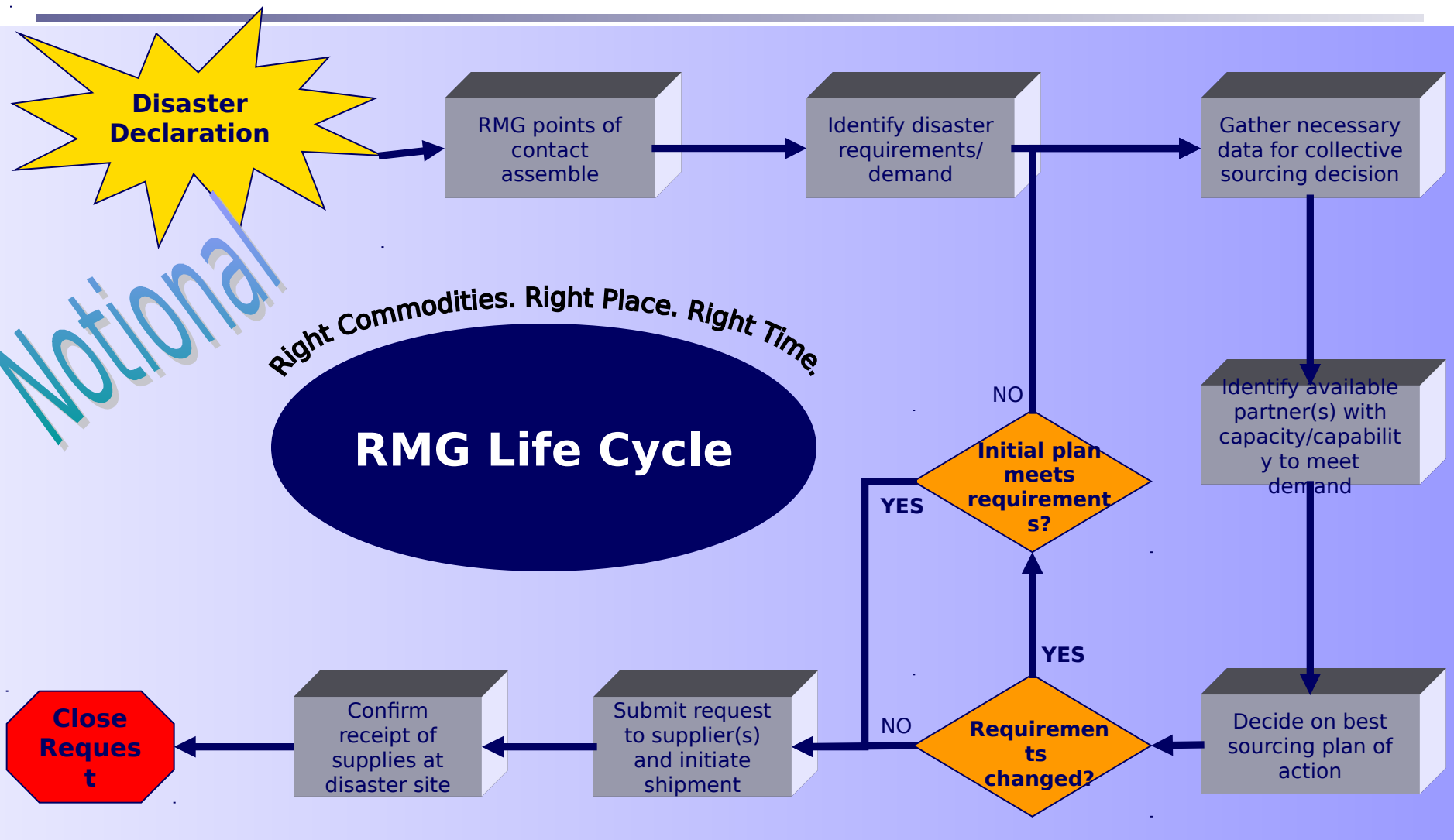
- Make collective sourcing decisions during disaster situations based on scope of requirement that are both responsive and cost effective

Current Initiatives

- Develop standard format and update schedule for partner inventory, capacity & capability
- Confirm operational roles & responsibilities of partners
- Develop process model with in and outputs
- Identify policies for RMG operation
- Establish operating definitions
- Establish common inventory classification
- Seek agreement upon comprehensive operating model



Upon disaster declaration, the RMG will assemble to collectively determine the appropriate sourcing plan of action



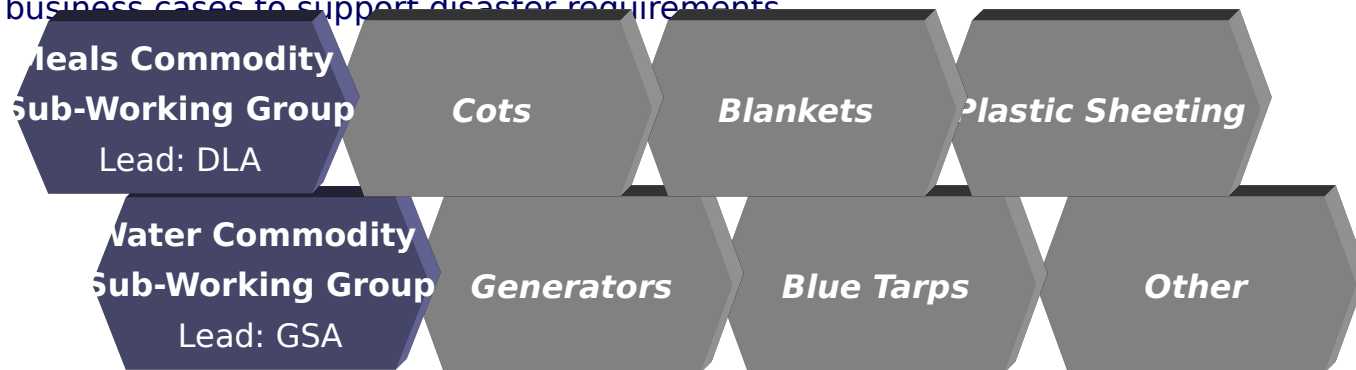
The commodity sub-working groups are identifying response strategies and appropriate FEMA inventory levels based on partner capabilities and private sector availability

Goal

- Establish standard commodity profiles to drive planning, sourcing, and distribution requirements

Current Initiatives

- Conduct regular meetings with meals and water commodity groups and identify commodity information
- Identify capacity, capability and inventory of participating partners
- Identify common language and metrics
- Develop business cases to support disaster requirements



- The graphic highlights the first 2 of FEMA's big 7 commodities, meals and water, where commodity sub-working groups have been established through the DMSWG. The accomplishments of the first two groups will provide a template for the additional 5 commodities to follow suit.

The way ahead: the culmination of ongoing efforts by FEMA and its partners to improve the national logistics response and distribution management strategy

- Output from this working group is focused on the collective effort of FEMA and its partners to improve the national Logistics Response. The DMSWG through the RMG and the Commodity Sub-Working Groups have already begun to:
 - Improve Communication across the Partner Organizations
 - Initiate a Collaborative Planning Approach
 - Establish Continual Improvement Discipline
 - Share Lessons Learned

The distribution management strategy supported through the DMSWG has been developed in alignment with National Logistics Coordinator (NLC) initiatives.

Backup



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The crawl, walk, run, approach to maturing national disaster logistics response and supply chain operations emphasizes the importance of “getting it right”

Phase I For Hurricane Season 2008

- Generate communication message
- Identify partner capacity/capabilities in Puerto Rico (PR) & US Virgin Islands (USVI)
- Identify operational requirements for RMG
- Perform advanced data collection for meals & water
- Establish meals & water strategies
- Standardize data formatting
- Begin identification of inventory requirements

Crawl

Phase II For Hurricane Season 2009

- Build commercial partnerships & capabilities
- Establish DC network
- Set inventory positioning strategy
- Perform advanced data collection for additional commodities
- Standardize data formatting
- Set preliminary inventory requirements
- Create regular inventory update reporting schedule
- Establish strategic and common response practices
- Draft Standard Operating Procedure (SOP) manual
- Operationalize RMG
- Incorporate additional partners into DMSWG

Walk

Phase III Beyond Hurricane Season 2009

- End to end distribution strategy for all commodities
- Automate and improve processes
- Improve inventory management & distribution practices
- Create & Distribute SOP manual

Run



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The DMSWG has accomplished numerous activities to date, and is presently working on a number of ongoing initiatives

DMSWG Phase II To Do List

- Build commercial partnerships & capabilities
- Establish DC
- Set inventory
- Perform adva
- additional co
- Standardize
- Set preliminary
- Create regul
- schedule
- Establish str
- practices
- Draft Stand
- manual
- Operationaliz
- Incorporate a
- DMSWG
- Formalize int

DMSWG Phase I To Do List

- Defined problem
- Identify partners
- Identify partner planning criteria and DC locations
- Establish meals and water sub-working groups
- Design commodity profile template
- Collect and consolidate partner commodity information
- Generate communication message
- Identify partner capacity/capabilities in Puerto Rico (PR) & US Virgin Islands (USVI)
- Identify operational requirements for RMG
- Perform advanced data collection for meals & water
- Establish meals & water strategies
- Standardize data formatting

DMSWG Phase III To Do List

- End to end distribution strategy for all
- ove processes
- management & distribution
- SOP manual

Among the tasks at hand are activities that feed directly into the work streams laid out by:

- The RMG, and
- The commodity sub-working groups

Having completed Phase I, DMSWG will carry lessons learned into tasks identified for the iterative phases that will follow, shown here in “walk”

DMSWG Phase I To Do List

- Defined problem
- Identify partners
- Identify partner plan
- locations
- Establish meals and
- groups
- Design commodity p
- Collect and consolida
- information
- Generate communica
- Identify partner capa
- Puerto Rico (PR) & U
- Identify operational r
- Perform advanced da
- & water
- Establish meals & wa
- Standardize data for
- Begin identification o
- requirements

DMSWG Phase III To Do List

- tion strategy for all
- ove processes
- management & distribution
- SOP manual

DMSWG Phase II To Do List

- Build commercial partnerships & capabilities
- Establish DC network
- Set inventory positioning strategy
- Perform advanced data collection for additional commodities
- Standardize data formatting
- Set preliminary inventory requirements
- Create regular inventory update reporting schedule
- Establish strategic and common response practices
- Draft Standard Operating Procedure (SOP) manual
- Operationalize RMG
- Incorporate additional partners into DMSWG
- Formalize inter-organizational agreements



The DMSWG will ultimately deliver a Standard Operating Procedure manual, and will continue to improve its processes in the “run” stage

DMSWG Phase I To Do List

- Defined problem
- Identify partners
- Identify partner plan locations
- Establish meals and groups
- Design commodity p
- Collect and consolidate information
- Generate communication
- Identify partner capacity Puerto Rico (PR) & US
- Identify operational r
- Perform advanced data & water
- Establish meals & wa
- Standardize data for
- Begin identification of requirements

DMSWG Phase II To Do List

- Build commercial partnerships & capabilities
- Establish
- Set inve
- Perform addition
- Standard
- Set pre
- Create regular inventory update reporting schedule
- Establish strategic and common response practices
- Draft Standard Operating Procedure (SOP) manual
- Operationalize RMG
- Incorporate additional partners into DMSWG

DMSWG Phase III To Do List

- End to end distribution strategy for all commodities
- Automate and improve processes
- Improve inventory management & distribution practices
- Create & Distribute SOP manual



Consolidated Commodity List

After consolidating commodity lists from each partner agency, the group agreed upon the following commodity categories:

Commodity Categories	
Medical Kits	Cleanup Kits
Water	Tarps
Meals (Baby Food, Formula, MREs, Comm. Meals)	Plastic Sheeting
Blankets	Generators
Cots	J FO Kits
Hygiene Kits (<i>Retrofitted to Comfort Kits</i>)	DISC Kits
Portable Toilet Kits	
Tents (OCONUS)	<i>Sandbags*</i>
Comfort Kits	<i>Non-perishable Consumables* (Trash Bags, Toilet Paper, Paper Towels)</i>

**** Non-Perishable Consumables and Sandbags are not included as critical commodities but are kept as a placeholder for possible future discussions***

Identify Partner Planning Criteria

➤ **Consolidated planning criteria from each partner agency**

➤ **Determined strategic baseline planning criteria**

- Surge: Support 1 Million people and 20,000 Federal responders within 72 hours

- Sustain: Support 1 Million people per day for 10 days

Agency	Planning Factors			Support Factors	Sustainment Factors	Activation Period
	Victims	Responders	Response			
LMD	1 Million	20,000	72 hrs	Victims and Responders	1 Million/20,000/10 days	72 hrs
AR C	500,000		72 hrs	Victims and Responders	500,000	72 hrs
HHS/NDMS	250 victims x 6035 responder teams	6035 responder 60 teams	72 hrs	Victims and Responders	15,000 victims/2,100 responders/10 days	2448 hrs
HHS/FMS	Provides support for 50 victims per medical station					
DLA	Based on individual agency support reqmts			Primary focus on DOD reqmts	Vendor managed inventory of 3 Mil for LMD (NTE established DOD Levels)	Can activate stock 24/7
GSA	Four Models Stock on historical demand Stock by agreement FEMA specific contingency contracts Evolving EDI based vendor direct model			Primary focus on fulfilling agency reqmts	Sustainment beyond historical demand requires advance arrangements. Has contracts for replenishment	OWD can range from immediate to planned.
USDA	Provides funding to states (schools) based on mshtype and requests and # of children in school populations			Victims and Responders	Draws from state warehouses, backlogs	
USACE	No minimum storage reqmts Water: Plans 4 m3/day/person			Victims and Responders	Has contracts for water and sandbags	
US&R						
Forest Service						



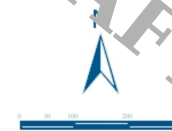


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FEMA, ARC, DLA and GSA Distribution Centers

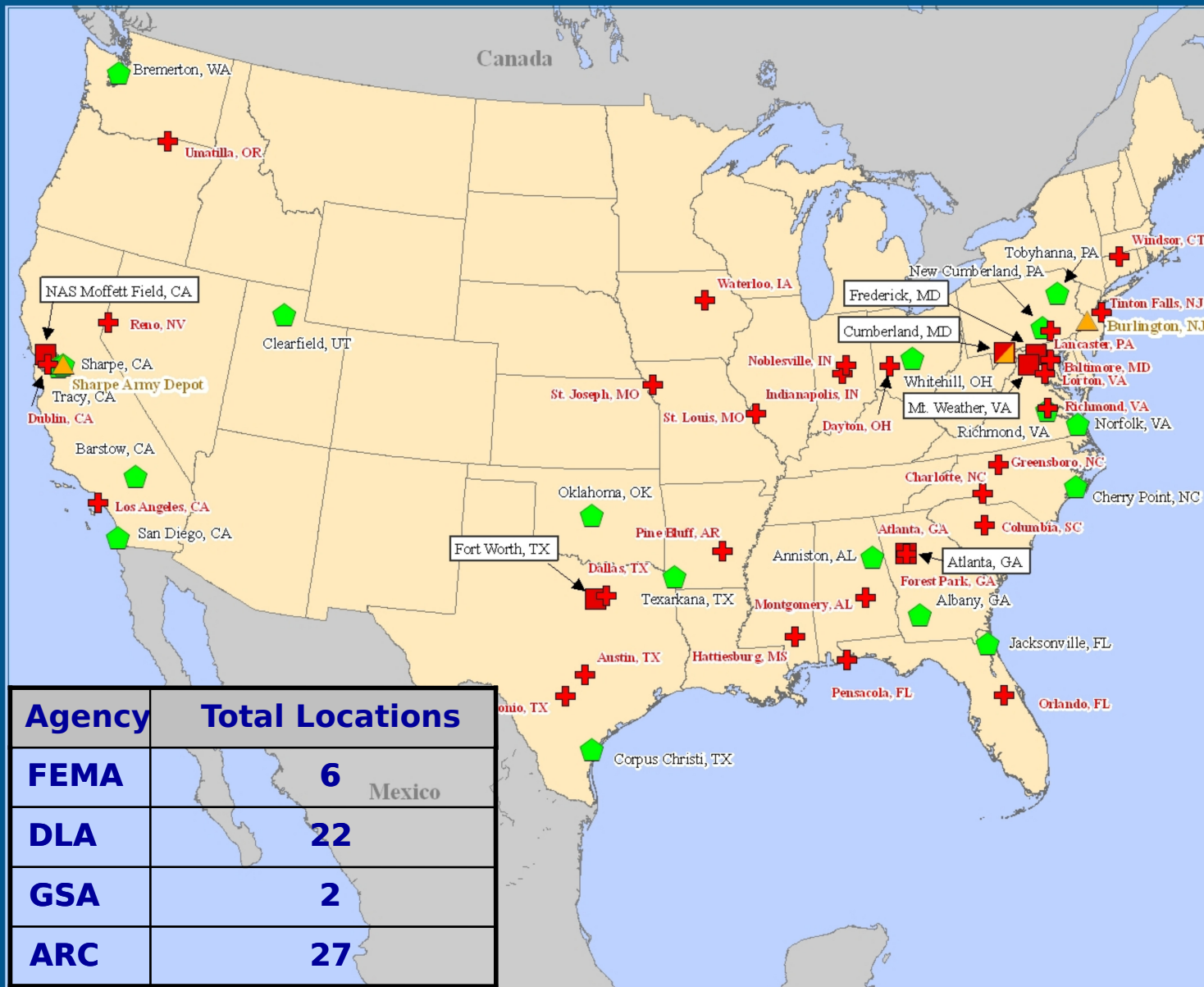
Logistics

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Legend

- Distribution Center
- Emergency Housing Site and Distribution Center
- Defense Logistics Agency
- American Red Cross
- GSA Distribution Center



Source LMC DC Management

ITS Mapping & Analysis Center
12/13/07 - 05:30 PM EST

FOUO - Please Destroy
When No Longer Needed

MapID 45212eb4706

Data Request Collection Instructions

This inventory data collection effort is focused on beginning to develop an operational picture of the capability of the logistics response partner network. We prefer excel input, but if there are generated reports that you currently use that has the data requested, please feel free to provide that information instead. For consistency purposes, the data should be a snapshot of March 11, 2006 if possible. Initially we will be focused on obtaining the three critical data elements listed below.

1. What is available? We understand that there are many different items stored for each organization. We are currently looking for information for items that fall under the following commodity categories. If there are multiple items that fit under each category, please supply data on each item. In addition, if there is vendor capability that should be captured please provide that capability as well.

Water	Medical Kits
Meals	Cleanup Kits
Blankets	Comfort Kits
Cots	DISC Kits
Plastic Sheeting	JFO Kits
Tarps	Portable Toilet Kits
Generators	

2. How much is available? Please provide the unit of measurement in addition to quantity. If there is a difference between quantity stored and quantity available, please list both so that we can develop as complete an operation picture as possible. If there is a vendor capability, please provide the capability, including ramp schedule if applicable.

3. Where is it stored? Please break out the quantity stored or capability by storage location. Please provide the City and State of the facility.



Data Collection Template

Commodity	Item	Unit of Measurement	Inventory Location									
			Location 1	Location 2	Location 3	Location 4	Location 5	Location 6	Location 7	Location 8	Location 9	Location 10
Water												
Meals												
Blankets												
Cots												
Plastic Sheeting												
Tarps												
Generators												
Medical Kits												

Commodity Profile Template

▪ Step 1: Identify commodity

- Define scope/purpose (customers)
 - Sheltered Victims
 - Stranded Victims
 - Responders
- Establish requirements and identify acceptable alternatives
 - What can be used in place of primary commodity
 - When are alternatives acceptable
 - Peacetime
 - Disaster
- Identify primary agency
 - Can be shared (*would one agency be better during each time frame*)
 - Disaster
 - Peacetime
- Establish business case (storage/shelf life, contract to store)
 - Identify risks/contingency

▪ Step 2: Determine commodities specifications and standards

- Packaging
 - All aspects of packaging (unit, case, pallet)
- Shelf Life
- Storage Requirements
 - Environmental
- Order Lead time
- Standard Unit of Issue
- Current capabilities and supply
- Delivery timeline for reordering
- Determine agency/private industry that will store commodity
- Alternative sourcing solutions (BENS)
- Handover from FEMA to local suppliers (stimulate local economy)
- Determine best value

▪ Step 3: Distribution and storage

- Transportation Requirements
- Standardized pallets
- Kits where possible
- Stock Levels

▪ Step 4: Identify reevaluation timeline